

Example 9 – Employee with Child(ren) with Major Medical Expenses

This example shows you how much an employee with a child with major medical expenses will pay for care with each of the Medical Plan options. When deciding which Medical Plan is right for you, it is important to look at your total medical and prescription drug expenses, which include what you pay for services AND what you pay in paycheck deductions for each plan.

Meet Melissa

- Melissa is divorced, she doesn't use tobacco and has one child. She will elect Employee + Child(ren) coverage.
- She and her daughter go to the doctor for their physicals, wellness visits, and shots each year.
- Melissa has a serious health condition that requires two maintenance medications that are not offered in generic form and monthly lab work to regulate her medication.
- This year she has complications with her condition and has two surgeries.
- Let's pretend that Melissa will need to:
 - Get two wellness exams;
 - Visit the primary care doctor three times;
 - Visit a specialist twelve times;
 - Have lab work monthly to regulate her medications;
 - Have two inpatient surgeries with two days in ICU; and,
 - Fill three generic prescriptions at the pharmacy and eight more brand non-formulary prescriptions through home delivery.

The amounts shown are estimates for the Melissa and her child's care under both plans. The numbers are for illustration purposes only. Please note all the annual wellness exams, wellness visits and immunizations were routine preventive care. So the plan covered all of these at 100% (shown as \$0 on the chart). All other amounts show Melissa's out-of-pocket costs and assume she and her child used in-network providers.

	<i>Cost of Care Details</i>	CDHP	PPO
Annual Deductible (Family)			\$2,000
Out-of-Pocket Maximum (Family)		\$7,500	\$7,000
Annual Medical Expenses:			
Two preventive care visits	\$250 x 2	\$0 (covered 100%)	\$0 (covered 100%)
Three primary care doctor visits	\$80 x 3	\$240	\$75 (\$25 copay x 3)
Twelve specialist visits	\$110 x 12	\$1,320	\$420 (\$35 copay x 12)
Monthly Lab work	\$500 X 12	\$5,940 Deductible Met <i>(\$5,940 to satisfy deductible, the Plan pays 100% of all remaining costs)</i>	\$2,800 Deductible Met <i>(\$2,000 to satisfy deductible + 20% coinsurance on remaining \$4,000)</i>

YOUR BENEFITS 2019



	<i>Cost of Care Details</i>	CDHP	PPO
Annual Medical Expenses (cont.):			
Two inpatient surgeries with two days in ICU	\$34,000	\$0	\$3,105 Max Out-of-Pocket Met
Three 31-day, retail generic drugs and eight 90-day, brand non-formulary maintenance medications filled via home delivery	\$30 x 3 + \$100 x 8	\$0	\$0
Total expenses	\$42,950	\$7,500	\$7,000
Rebecca's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$840	\$2,608
Deductible amount paid by Melissa		\$7,500	\$2,000
Other costs paid by Melissa*		\$0	\$5,000
Annual Partnership-provided HSA Contribution		- \$2,000	N/A
Melissa's Total Cost		\$6,340	\$9,608

*Includes PPO copays and out-of-pocket costs after deductible is met.

To calculate the family's total cost, we added the annual out-of-pocket expenses (deductible + coinsurance and/or copayments + annual paycheck deductions based on the non-tobacco user rates) and subtracted Melissa's Partnership-provided HSA contribution. As you can see, your savings are much greater with the CDHP! Melissa could also save even more by making her own HSA contribution and lowering her taxable income.